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9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 In re
13 THE ROMAN CATHOLIC ARCHBISHOP
OF SAN FRANCISCO,
14
Debtor.

Case No. 23-30564
Chapter 11

Adv. Proc.

15
16 THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS,
17
Plaintiff,

**ADVERSARY COMPLAINT FOR
DECLARATORY RELIEF**

18 vs.

19 THE ROMAN CATHOLIC ARCHBISHOP
20 OF SAN FRANCISCO; PARISHES LISTED
IN EXHIBIT A; HOLY CROSS CATHOLIC
21 CEMETERIES; SAINT MARY
MAGDALENE CATHOLIC CEMETERY;
22 MT. OLIVET CEMETERY; OUR LADY OF
PILLAR CEMETERY; TOMALES
23 CATHOLIC CEMETERY; ARCHBISHOP
RIORDAN HIGH SCHOOL; SACRED
24 HEART CATHEDRAL PREPARATORY;
MARIN CATHOLIC HIGH SCHOOL;
25 JUNIPERO SERRA HIGH SCHOOL;
VALLOMBROSA RETREAT CENTER;
26 AND SERRA CLERGY HOUSE,

27 Defendants.
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INTRODUCTION

1. The Roman Catholic Archbishop of San Francisco (the “Archdiocese”) is obscuring the true ownership of hundreds of millions of dollars in Archdiocese assets in an attempt to place them beyond the reach of this Court and to keep them from the Archdiocese’s creditors, principally hundreds of survivors of child sexual abuse. The Official Committee of Unsecured Creditors (“Committee”) brings this adversary complaint to establish the true borders of the Archdiocese’s corporate structure and to clarify the scope of the debtor that is subject to this Court’s jurisdiction.

2. The defendants in this adversary complaint are the Archdiocese, the parishes and related parochial schools identified in Exhibit A hereto (the “Parishes”), six cemeteries (the “Cemeteries”), four high schools (the “High Schools”), a retreat center, and a clergy house. The latter defendants are nothing more than “operating divisions” of the Archdiocese.

3. With this adversary proceeding, the Committee seeks the following declaratory relief:

- a declaration that as of the Petition Date (August 21, 2023), each of these “operating divisions” was and is an unincorporated division of the Archdiocese;
- a declaration that all assets of these “operating divisions” are property of the bankruptcy estate; and
- a declaration that all assets of the Archdiocese held for the benefit of these “operating divisions” are property of the bankruptcy estate.

NATURE OF THE ACTION

4. The Committee and the Archdiocese cannot develop a fair and equitable plan of reorganization as long as the Archdiocese insists that hundreds of millions of dollars worth of assets are outside the bankruptcy estate. From the outset of the bankruptcy, the Archdiocese has concocted a fiction that its various operating divisions are each separate from the Archdiocese in an effort to hide the true extent of its assets from hundreds of survivors of child sexual abuse (“Survivors”). These operating divisions are not legally separate from the Archdiocese, and there

1 is no basis for the Archdiocese to disclaim its interest in and control of the assets purportedly
2 owned by them.

3 5. The Archdiocese controls the Parishes, the High Schools, the Cemeteries, the
4 Vallombrosa Retreat Center, and the Serra Clergy House, each of which is an operating division of
5 the Archdiocese. By its own estimation, a “core function” of the Archdiocese is the operation of
6 its parishes and schools. The Archbishop proudly refers to “our parishes, schools, and other
7 entities” on the Archdiocese’s website, and the most recent financial statement posted on the
8 website confirms that the Parishes, High Schools, Cemeteries, and Vallombrosa Retreat Center
9 are, in fact, operating divisions of the Archdiocese.

10 6. The Archdiocese has not listed any of the assets of its operating divisions on its
11 Schedules of Assets and Liabilities (Docket No. 372) or Statement of Financial Affairs (Docket
12 No. 373) filed with the Bankruptcy Court. Where the Archdiocese holds legal title to certain real
13 and personal property used by the operating divisions, the Archdiocese identifies it as property not
14 owned by the Archdiocese and held “in trust” for the benefit of the operating divisions. In
15 addition, the Archdiocese is not reporting the activities of any of its operating divisions on its
16 monthly operating reports filed with the Bankruptcy Court.

17 7. The operating divisions are not separately incorporated; they are just part of the
18 Archdiocese. Like operating divisions in any large corporation, these operating divisions of the
19 Archdiocese might account separately for their assets, their employees, or their cash flow because
20 the Archdiocese itself is a large corporation. None of this changes the true owner of the assets —
21 namely, the Archdiocese. The operating divisions do not hold legal title to their purported assets;
22 legal title is held either by the Archdiocese or a Support Corporation (defined below).

23 8. A declaration that the operating divisions are part of the Archdiocese, and that their
24 interests in assets are, in fact, interests of the Archdiocese’s estate, is critical to any plan of
25 reorganization to fairly compensate the Archdiocese’s creditors, predominantly the Survivors.
26 Absent a declaration that the operating divisions are part of the Archdiocese, the Archdiocese will
27 continue to evade its moral and financial responsibility to the Survivors by playing a cynical shell
28 game: self-righteously proclaiming the Archdiocese’s commitment of monetary and non-

1 monetary resources for Survivors while hiding in plain view from this Court and from the
2 Survivors the full scope of the Archdiocese's assets.

3 **JURISDICTION & VENUE**

4 9. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§
5 157(b) and 1334(b) and Federal Rule of Bankruptcy Procedure 7001.

6 10. Venue in this judicial district is appropriate pursuant to 28 U.S.C. § 1409. This
7 adversary proceeding arises under and in connection with a case under chapter 11 of the
8 Bankruptcy Code that is pending in this judicial district.

9 11. This adversary proceeding constitutes a core proceeding pursuant to 28 U.S.C. §
10 157(b)(2)(A) and (O).

11 12. The Committee consents to entry of final orders and a final judgment by this Court
12 in this adversary proceeding.

13 **THE PARTIES**

14 13. On September 1, 2023, the United States Trustee for Region 17 appointed the
15 Committee to represent the Archdiocese's unsecured creditors pursuant to 11 U.S.C. Title 11 (the
16 "Bankruptcy Code") § 1102(a)(1). The Committee is the plaintiff and a party in interest pursuant
17 to Bankruptcy Code § 1109(b). The Committee consists of nine individuals who were minors
18 when they were sexually abused by perpetrators for whom the Debtor was responsible.

19 14. The Archdiocese is a debtor and a debtor-in-possession. It continues to operate its
20 business and remains in possession of its properties pursuant to Bankruptcy Code §§ 1107(a) and
21 1108. No trustee or examiner (other than a fee examiner) has been appointed in the case.

22 15. An alphabetical list of the Parish defendants is attached to this adversary complaint
23 as **Exhibit A**. Each Parish is in the State of California. Each is unincorporated. However, the
24 Committee needs further discovery to ascertain the official names for each of the Parishes or
25 whether they have true legal names.

26 16. Archbishop Riordan High School is a High School with its principal place of
27 business located at 175 Frida Kahlo Way, in San Francisco, California.

28

1 17. Sacred Heart Cathedral Preparatory School is a High School with its principal place
2 of business located at 1055 Ellis Street, in San Francisco, California.

3 18. Marin Catholic High School is a High School with its principal place of business
4 located at 675 Sir Francis Drake Boulevard, in Kentfield, California.

5 19. Junipero Serra High School is a High School with its principal place of business
6 located at 451 W. 20th Avenue, in San Mateo, California.

7 20. Each of the following Cemetery defendants is located in the State of California.
8 Each is unincorporated. However, the Committee needs discovery to ascertain the true legal
9 names of the Cemeteries or even whether the Cemeteries have true legal names.

- 10 • Holy Cross Catholic Cemetery, located in Colma
- 11 • Holy Cross Catholic Cemetery, located in Menlo Park
- 12 • Saint Mary Magdalene Catholic Cemetery, located in Bolinas
- 13 • Mt. Olivet Cemetery, located in San Rafael
- 14 • Our Lady of Pillar Cemetery (including St. Anthony's Pescadero), located in
15 Half Moon Bay
- 16 • Tomales Catholic Cemetery, located in Tomales

17 21. The Vallombrosa Retreat Center is a 10-acre retreat facility with headquarters
18 located at 250 Oak Grove Avenue, in Menlo Park, California.

19 22. The Serra Clergy House is a 12-unit apartment complex and residence for retired
20 priests. The Serra Clergy House is located at 455 W. 20th Avenue, in San Mateo, California.

21 **FACTUAL BACKGROUND**

22 **A. The Archdiocese's Bankruptcy**

23 23. On August 21, 2023 (the "Petition Date"), the Archdiocese filed a voluntary
24 petition under chapter 11 of the Bankruptcy Code.

1 24. The Archdiocese commenced its bankruptcy almost four years after the California
2 legislature extended the limitations period applicable to civil lawsuits for childhood sexual abuse.¹
3 According to the Archdiocese's former Chief Financial Officer, as of the Petition Date, Survivors
4 had filed 537 sexual abuse lawsuits that were pending against the Archdiocese in California state
5 courts. The Archdiocese's bankruptcy was filed two days before the trial for two of these cases
6 was set to begin.

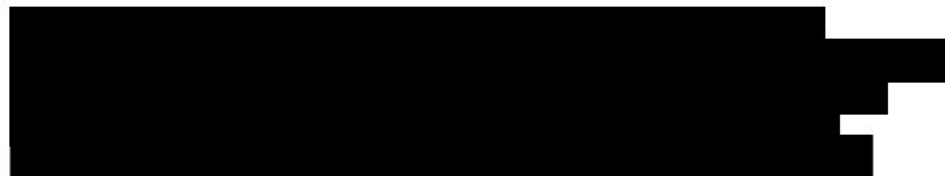
7 25. All but two of the Survivor actions pending against the Archdiocese in California
8 state court are currently stayed, absent an order from this Court granting further stay relief.

9 **B. The Legal Structure of the Archdiocese's "Business"**

10 26. The Archdiocese is a corporation sole. A corporation sole is a legal entity that
11 consists of a single person that occupies a single incorporated office. The leader of the
12 Archdiocese, the Archbishop, is the sole member of the corporation sole. The Articles of
13 Incorporation of the Archdiocese state that the Archdiocese was duly organized as a corporation
14 sole "for the purpose of administering and managing the affairs, property, and temporalities of the
15 Roman Catholic Church in said Archdiocese of San Francisco."

16 27. According to the California Secretary of State, the Archdiocese is active and in
17 good standing as a corporation sole. The Archdiocese's various "operating divisions" are not
18 registered in any way with the California Secretary of State, not even as purported unincorporated
19 associations.

20 28. Audited financial statements from the Archdiocese's Central Administrative Office,
21 also known as the Chancery, consistently describe the structure of the Archdiocese's operations as
22 follows:



26 _____
27 ¹ On October 13, 2019, California Assembly Bill No. 218 ("AB 218") was approved, amending Cal. Code
28 of Civ. Proc. section 340.1 Pursuant to AB 218, among other matters, certain claims for childhood sexual
abuse that were otherwise time-barred were revived and subject to a three-year window from and after
January 1, 2020 during which a Survivor could file a lawsuit.

1 [REDACTED]
2 [REDACTED]
3 (Emphasis added). At least ten years of Chancery financial statements repeat this description.

4 29. The Archdiocese identifies its operating divisions to third parties, including
5 insurers and the federal government, as “part of” the Archdiocese.

6 30. The operating divisions are not individually tax exempt. They receive tax exempt
7 status as “subordinate organizations” under the Archdiocese. Moreover, these operating divisions
8 do not file tax returns separate from the Archdiocese. Instead, the Archdiocese files a combined
9 Form 990-T (exempt organization return for unrelated business income) that includes non-
10 religious business income generated by the Archdiocese’s operating divisions.

11 31. None of the operating divisions is incorporated. None of the Parishes is
12 incorporated. None of the Cemeteries is incorporated. None of the High Schools is incorporated.
13 Neither the Vallombrosa Retreat Center nor the Serra Clergy House is incorporated.

14 32. The Archbishop exerts authority and control over the divisions’ operations. The
15 Archbishop’s control includes required financial reporting, periodic audits, approval for significant
16 expenditures, and centralized policies and procedures. The Archbishop controls priest
17 assignments, appointment of other personnel, and the governing boards for each of its operating
18 divisions. Like operating divisions in any other large corporation, the Archdiocese’s operating
19 divisions have purported Archdiocese-delegated power over some functions, but their limited
20 Archdiocese-delegated power is not the same as holding the rights of an independent association.

21 **C. In 2008, the Archdiocese Restructured Its Operations But Chose Not to Divest Itself**
22 **of Ownership of the Operating Divisions.**

23 33. Before 2008, all of the real and personal property associated with the Archdiocese’s
24 operating divisions was owned by, and in the name of, the Archdiocese or The Roman Catholic
25 Welfare Corporation of San Francisco.

26 34. In 2008, shortly after all the lawsuits filed during California’s first child sexual
27 abuse statute of limitations window were settled, the Archdiocese dissolved The Roman Catholic
28 Welfare Corporation of San Francisco and caused the real and personal property associated with

1 certain of the Archdiocese's operating divisions to revert to the Archdiocese. Immediately
2 thereafter, the Archdiocese transferred all the real and personal property assets to two "support"
3 corporations—The Archdiocese of San Francisco Parish, School and Cemetery Juridic Persons
4 Capital Assets Support Corporation ("CASC"), and The Archdiocese of San Francisco Parish and
5 School Juridic Persons Real Property Support Corporation ("RPSC") (collectively, the "Support
6 Corporations"). CASC holds cash and investment funds. RPSC holds real property. The
7 Archdiocese established these Support Corporations for the express purposes of owning and
8 maintaining the capital assets and real property of its operating divisions, which remain
9 unincorporated.

10 35. [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]

16 36. There was no consideration exchanged in connection with the Archdiocese's
17 transfer of assets to the Support Corporations, and the parties did not enter into any kind of
18 purchase and sale agreement. The Archdiocese merely recorded new deeds to reflect the change
19 in title to the real property.

20 37. In an August 29, 2008 letter to the City Attorney for the City of San Francisco, the
21 Archbishop stated that, notwithstanding the dissolution of the Welfare Corporation and the
22 establishment of the Support Corporations, the Archdiocese remained the [REDACTED] of the
23 assets:

24 [REDACTED]
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 38. In December 2008, in response to transfer taxes that the City of San Francisco
4 demanded from the Archdiocese in connection with its transfer of real property worth millions of
5 dollars to RPSC, the Archdiocese argued [REDACTED]

6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]”³ [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED].⁴

14 39. The Archdiocese’s restructuring and transfer of both real and personal property to
15 its Support Corporations did not alter the Archdiocese’s control of its operating divisions, nor did
16 it alter the Archdiocese’s beneficial interest in the assets associated with its operating divisions.

17 As the Archdiocese itself repeatedly explained, [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]”⁵

22
23
24 ² See *The Roman Catholic Archbishop of San Francisco, et al. v. City and County of San Francisco, et al.*,
25 Superior Court of San Francisco County, case no. 10-498795 (the “Transfer Tax Case”), Letter dated
26 8/29/08 from the Archdiocese to the Office of the City Attorney, CGC-10-498795_002328 (emphasis
27 added).

28 ³ *Id.*, Petition to Review Transfer Tax Determination by the Archdiocese dated 12/10/08 at CGC-10-498795
001718.

⁴ *Id.*, Statement of Decision entered 1/9/12 at CGC-10-498795 001522.

⁵ *Id.*, Petition to Review Transfer Tax Determination at CGC-10-498795 001725.

1 **D. The Parishes Are Not Separate Legal Entities. They Are Operating Divisions of the**
2 **Archdiocese.**

3 40. Some of the Parishes within the Archdiocese operate a local high school, a local
4 elementary school, or a local preschool, referred to as “parochial schools.” The parochial schools
5 are internally accounted for under the name of that particular Parish as a division of the
6 Archdiocese. The Parishes, including their affiliated parochial schools, are operating divisions of
7 the Archdiocese.

8 41. When a Parish is named as a defendant in civil litigation, the Archdiocese appears
9 and responds for that Parish because the Parishes are part of the Archdiocese. None of the
10 Parishes is a separate legal entity. For example, the Archdiocese filed sworn statements in state
11 court litigation confirming that one of its Parishes—Holy Angels Catholic Church— “is not a
12 separate legal entity,” and that the Archdiocese “is the owner and operator of Holy Angels.” “The
13 Archdiocese, therefore, is appearing in place of Holy Angels.”⁶ The relationship between Holy
14 Angels and the Archdiocese is the same as the relationship between any of the other Parishes and
15 the Archdiocese.

16 42. At the 341 meeting in this bankruptcy case, the Archdiocese’s litigation defense
17 counsel explained that the Parishes have not appeared in lawsuits because they “do not exist”:

18 Q [Stang]: Have any of the parishes retained counsel separate from Mr.
19 Gaspari’s firm to defend them in those abuse claim—in those abuse cases?

20 A [Gaspari]: **I can answer that question and the question is well, not**
21 **only no, but parishes have not appeared in any of those lawsuits.**

22 Q [Stang]: Appeared meaning they’re not named or they haven’t made
23 appearances in court?

24 A [Gaspari] In some instances they were named, but there have been no
25 appearances. **They do not exist.**⁷

26 ⁶ *Planned Parenthood Ass’n of San Mateo County v. Holy Angels Catholic Church, et al.*, U.S. District
27 Court, N.D. Cal., case no. C910580, Opposition of the Roman Catholic Bishop of San Francisco to Motion
for Preliminary Injunction.

28 ⁷ Hearing Transcript dated Oct. 12, 2023 at 39:2-9 (emphasis added).

1 43. The Archdiocese promulgates extensive policies governing its Parishes' operations.
2 These policies range from financial reporting and governance to individualized tasks, including
3 policies regarding workplace harassment, records retention, stipends during and outside of
4 working hours, electronic and internet fund raising, internet usage, and building construction.

5 44. The *Archdiocesan Parish & School Financial Policy Manual* ("Parish & School
6 Financial Policy Manual") governs parish and school operations as operating divisions of the
7 Archdiocese. Some examples applicable to the Parishes include the following:

- 8 • The Archbishop must approve the opening of any bank account by a Parish.
- 9 • The Archdiocese maintains a comprehensive list of each Parish's bank accounts
10 and compares the list with accounts identified in annual reports submitted by the
11 Parishes to the Archdiocese.
- 12 • All Parishes must form a finance council that follows Archdiocesan guidelines and
13 that participates in Archdiocesan training sessions.
- 14 • All Parishes must participate in a coordinated payroll system administered by the
15 Archdiocese.
- 16 • A gift of real estate can only be accepted by the Archdiocese on behalf of itself and
17 a Parish under conditions that the Archdiocese specifies.
- 18 • A Parish can accept an endowment to that Parish only under conditions that the
19 Archdiocese specifies, including written approval by the Archbishop, a
20 standardized form that sets forth these specific conditions, and all Parish
21 endowment funds must be invested in a common investment pool established by
22 the Archdiocese.

23 45. In addition to the *Parish & School Financial Policy Manual*, the Parishes must
24 adhere to the *Parish/School Financial Accounting and Reporting System* ("Parish & School
25 Reporting System"). The *Parish & School Reporting System* specifies granular details required for
26 reports to the Archdiocese. Among other matters, the *Parish & School Reporting System* requires
27 that each of the Parishes do the following:
28

- Each of the Parishes must follow established internal accounting controls to facilitate reporting to the Archdiocese.
- Each of the Parishes must follow a uniform chart of accounts and use uniform codes for categories and subcategories of assets, liabilities, revenues, and expenses.
- Each of the Parishes must submit annual financial reports to the Archdiocese in a uniform format that is subject to a review process conducted by accountants selected by the Archdiocese.
- The Archdiocese directs each Parish to transfer any “excess” cash (which the Archdiocese defines as more than two months of operating cash) to the Deposit and Loan Fund or a pooled investment account.

46. In addition, each of the Parishes must implement the practices and procedures set forth in the Archdiocese’s *Parish Employee Handbook* and *School Employee Handbook*. Every employee at a Parish, including parochial school employees, must acknowledge receiving the Handbook. The employees also must acknowledge (a) that the terms and conditions of the Handbook can only be changed if signed by the “Archbishop, Vicar General, or the Vicar for Administration,” (b) that no Parish-level employee has authorization to alter the Handbook, and (c) that the “employment *with the Archdiocese*” is at-will and can be terminated “by the Archdiocese.” The Handbook further specifies that “[n]o one, aside from the Archbishop, Vicar General or the Vicar for Administration, has the authority to enter into a contract of employment, express or implied, with any employee.”⁸

47. Pursuant to its *Holiday and Vacation Schedule and Policy*, the Archdiocese must approve the holiday schedule and vacation policy for Parish-level personnel based on signatures of the Archdiocesan Vicar General or Vicar for Administration before any of these policies becomes effective. The Archdiocese applies a formula for vacation accrual to all Parish employees.

48. Pursuant to its *Transfer Instructions for Donors with Stock or Mutual Fund Donations*, the Archdiocese requires that all donations of stock or mutual funds to a Parish be

⁸ See Vallombrosa_000106, available publicly.

1 made by a form letter specifying that the transfer is made not to that particular Parish but to the
2 Archdiocese, directed to an account in the name of the Archdiocese, with a second line referencing
3 that the donation is for that particular Parish (“FBO (provide Parish Name)”).

4 49. The Archdiocese exerts authority and control over many other aspects of the Parish
5 operations, including the following:

- 6 • The Archdiocese administers a bookkeeping test to evaluate bookkeeping
7 candidates for each of the Parishes before the candidate is hired to ensure that the
8 candidate is qualified. The Archdiocese also trains all new Parish bookkeepers and
9 provides resources regarding guidelines and reporting mandates that the
10 Archdiocese imposes on each Parish.
- 11 • Day care facilities operated through the Parishes are licensed not in the name of
12 that particular Parish but in the name of the Archdiocese.
- 13 • The Archdiocese dictates Parish fundraising policies. The Parishes must obtain
14 approval from the Archdiocese before they engage in certain income-generating
15 activities.

16 50. The Parishes do not have their own governance boards. Instead, each Parish is
17 governed by that Parish’s pastor, who is assigned to that Parish by the Archbishop. A pastor can
18 be removed from his position only by the Archbishop at his discretion.

19 51. The Archdiocese has asserted in pleadings in the Bankruptcy Court that the
20 Parishes are “separate” and operate as “unincorporated associations” under California law. The
21 Committee disputes these assertions both as a matter of fact and based on applicable law.

22 **E. The High Schools Are Not Separate Legal Entities. They Are Operating Divisions of**
23 **the Archdiocese.**

24 52. The four High Schools of the Archdiocese are not associated with any particular
25 Parish. As with the Parishes, whenever a High School is named as a defendant in a lawsuit, the
26 Archdiocese appears and responds for the school because it asserts that each school is merely a
27 part of the Archdiocese and is not a separate legal entity. For example, the Archdiocese has
28 submitted sworn statements in state court litigation confirming that Junipero Serra High School is

1 part of the corporation sole and not a separate entity, and that the Archdiocese owns, operates, and
2 maintains the school. The relationship between Junipero Serra High School is no different than
3 the relationship between the other High Schools and the Archdiocese.

4 53. On information and belief, both the Parish & School Financial Policy Manual and
5 the Parish & School Reporting System, discussed above, apply equally to the operation of the
6 High Schools.

7 54. [REDACTED]
8 [REDACTED]
9 [REDACTED]

10 [REDACTED] For example:
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]

20 55. Teachers who work at the High Schools are unionized. [REDACTED]
21 [REDACTED]
22 [REDACTED]

23 56. The High Schools operate as divisions under the supervision of the Department of
24 Catholic Schools. [REDACTED]
25 [REDACTED]
26 [REDACTED]

27 57. The Archdiocese administers and processes all payroll and insurance for the High
28 Schools. The Archdiocese also performs accounting, human resources, and legal services for

1 which the High Schools are required to pay the Archdiocese based on their enrollment. The
2 Archdiocese holds legal title to the checking account for the payroll of the Parishes and High
3 Schools, allegedly in trust for the operating divisions.

4 58. Pursuant to its *Transfer Instructions for Donors with Stock or Mutual Fund*
5 *Donations*, the Archdiocese requires that all donations of stock or mutual funds to the High
6 Schools be made by a form letter specifying that the transfer is made to an account in the name of
7 the Archdiocese, with a second line stating that the donation is for the benefit of that particular
8 High School.

9 59. The Archdiocese has asserted in pleadings in the Bankruptcy Court that the High
10 Schools are “independent” and operate as “unincorporated associations” separate from the
11 Archdiocese. The Committee disputes these assertions both as a matter of fact and based on
12 applicable law.

13 **F. The Cemeteries are Not Separate Legal Entities. They Are Operating Divisions of the**
14 **Archdiocese.**

15 60. The Archdiocese owns all the real property (“100% fee owner”)⁹ used by the
16 Cemeteries. This amounts to hundreds of acres throughout the Bay Area, much of which is not
17 occupied by graves or mausoleums.

18 61. Financial statements for the six Cemeteries, consistent with financial statements for
19 the Chancery, confirm the Cemeteries’ status as an “operating division” of the Archdiocese:

20 The Roman Catholic Cemeteries of San Francisco (the “Cemeteries”) is
21 **an operating division of The Roman Catholic Archbishop of San**
22 **Francisco, a California Corporation Sole** (the “Corporation Sole”).
23 ...The Cemeteries consist of six operating cemeteries: Holy Cross-Colma,
24 Holy Cross-Menlo Park, Holy Cross- Saint Mary Magdalene, Mount
25 Olivet, Our Lady of the Pillar, and Tomales Catholic Cemetery.

26 The financial statements include only the assets, liabilities, net assets,
27 revenues, and expenses associated with the operation of the Cemeteries.
Accordingly, **these financial statements do not include any assets,**
28 **liabilities, net assets, revenues, or expenses of other operating**
divisions of the Corporation Sole or those of separate and
independent corporate entities affiliated with the Corporation Sole
that are located within The Roman Catholic Archdiocese of San Francisco
(the “Archdiocese”). (Emphasis added).

⁹ See Schedules of Assets and Liabilities [Docket No. 372], Part 9, Question 55 at pp. 26-27.

1 62. The Cemeteries are governed by bylaws adopted by the Archdiocese Cemetery
2 Department Advisory Board. The board's purpose is to ensure that the traditional responsibility of
3 interment is carried out by the Archdiocese through its Cemetery Department, with the board
4 functioning as an advisory to the Archbishop in cemetery matters.

5 63. The Archbishop assigns a Director of Cemeteries and a Vicar of Administration to
6 the advisory board, and five other members are appointed by the Archbishop, the Director of
7 Cemeteries, or by a majority of the board. Meetings of the advisory board are scheduled and
8 conducted by the Director of Cemeteries, acting as chairman, or in his absence by the Vicar of
9 Administration, acting as vice chairman.

10 64. The organization chart for the Cemeteries, referred to as the Catholic Cemeteries
11 Department, shows that the Director of Cemeteries—who is appointed by the Archbishop—
12 reports to the Vicar of Administration, who consults with the advisory board, and in turn reports to
13 the Archbishop.

14 65. The Archdiocese has asserted in pleadings in the Bankruptcy Court that the
15 Cemeteries are operated as a “separate unincorporated association” through the Catholic
16 Cemeteries Department. The Committee disputes these assertions both as a matter of fact and
17 based on applicable law.

18 **G. The Vallombrosa Retreat Center Is Not a Separate Legal Entity. It Is an**
19 **Operating Division of the Archdiocese.**

20 66. [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 (Emphasis added).

1 67. The Archdiocese holds title to the real property for the Vallombrosa Retreat Center.
2 Yet the Archdiocese claims that it holds the property and improvements, including a historic
3 mansion, 60 units of retreat accommodations, and an administrative building used by the retreat
4 center, purportedly “in trust” for the benefit of the Vallombrosa Retreat Center.

5 68. [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]

14 70. On information and belief, the Parish Employee Handbook applies equally to the
15 operation of the retreat center insofar as the handbook seeks “to establish uniform policies and
16 procedures for the entire Archdiocese.”¹⁰

17 71. The Vallombrosa Retreat Center may maintain individual books and records, but it
18 is owned, controlled, and operated by the Archdiocese as an operating divisions of the
19 Archdiocese. All financial and budgeting decisions are subject to the Archdiocese’s oversight and
20 control. All assets are held in accounts that the Archdiocese controls.

21 72. The Archdiocese has asserted in pleadings in the Bankruptcy Court that the
22 Vallombrosa Retreat Center operates independently from the Archdiocese and that the
23 Archdiocese holds legal title to the real property “in trust” for the benefit of the retreat center. The
24 Committee disputes these assertions both as a matter of fact and based on applicable law.

25 //

26 //

27

28 ¹⁰ Vallombrosa 000106, available publicly.

1 **H. The Serra Clergy House Is Not a Separate Legal Entity. It Is an Operating**
2 **Division of the Archdiocese.**

3 73. There are no separate financial statements for Serra Clergy House. The Chancery
4 budgets encompass capital outlays for construction and improvements to the Serra Clergy House.

5 74. The RPSC holds legal title to the Serra Clergy House real property and leases the
6 property to the Archdiocese for a nominal sum to cover RPSC's operating costs.

7 75. As with its other operating divisions, all financial and budgeting decisions related
8 to Serra Clergy House are subject to the Archdiocese's oversight and control.

9 76. The Archdiocese describes the Serra Clergy House in pleadings in the Bankruptcy
10 Court as a "non-debtor Catholic entity." The Committee disputes this assertion both as a matter of
11 fact and based on applicable law.

12 **FIRST CLAIM FOR RELIEF**
13 **Declaratory Relief Regarding Operating Division Status**
14 **(Bankruptcy Code § 541, 28 U.S.C. §§ 2201 and 2202)**

15 77. The Committee re-alleges each of the allegations contained in each preceding
16 paragraph of this Complaint as though fully set forth herein.

17 78. The Archdiocese asserts that its various operating divisions are "unincorporated
18 associations under California law."¹¹

19 79. An actual, substantial, and justiciable controversy exists between the Committee
20 and the Archdiocese concerning the status of the operating divisions and whether these operating
21 divisions are unincorporated associations as the Archdiocese contends or, in fact, are merely
22 unincorporated operating divisions of the Archdiocese that use Archdiocese property that is
23 subject to the claims of the Archdiocese's creditors, including the Survivors.

24 80. The Committee respectfully prays for a declaration that (a) the Archdiocese's
25 operating divisions, comprised of the Parishes, the High Schools, the Cemeteries, the Vallombrosa
26 Retreat Center, and the Serra Clergy House, are unincorporated operating divisions of the
27 Archdiocese, not separate legal entities, and (b) all assets of the Archdiocese's operating divisions

28 ¹¹ See, e.g., *Declaration of Joseph J. Passarello in Support of Chapter 11 Petition and Debtor's Emergency*
Motions [Docket No. 14], ¶18.

1 are property of the bankruptcy estate and are subject to the claims of the Archdiocese's creditors,
2 including the Survivors.

3 **SECOND CLAIM FOR RELIEF**

4 **Declaratory Relief Regarding Assets "Held in Trust" for the Operating Divisions
(Bankruptcy Code § 541, 28 U.S.C. §§ 2201 and 2202)**

5 81. The Committee re-alleges each of the allegations contained in each preceding
6 paragraph of this Complaint as though fully set forth herein.

7 82. Pursuant to its Statement of Financial Affairs, the Archdiocese asserts that it holds
8 certain real and personal property collectively valued in excess of \$65 million "in trust" for the
9 benefit of another entity. To this end, the Archdiocese claims that it holds "only legal title" to (1)
10 real property and improvements used by the Vallombrosa Retreat Center, and (2) specified cash
11 and investment accounts used by the Parishes, the High Schools, and the Vallombrosa Retreat
12 Center, and that such assets are not property of the bankruptcy estate.¹²

13 83. An actual, substantial, and justiciable controversy exists between the Committee
14 and the Archdiocese concerning the ownership of real and personal property allegedly held in trust
15 for the benefit of the operating divisions and for which the Archdiocese holds legal title. The
16 Committee contends that assets of the Archdiocese held for the alleged benefit of the operating
17 divisions are, in fact, owned by the Archdiocese and are property of the estate.

18 84. The Committee respectfully prays for a declaration that any assets of the
19 Archdiocese allegedly held for the benefit of the Archdiocese's operating divisions, including the
20 Parishes, the High Schools, and the Vallombrosa Retreat Center, are property of the bankruptcy
21 estate and are subject to the claims of the Archdiocese's creditors, including the Survivors.

22 **WHEREFORE**, the Committee prays for judgment as follows:

- 23 • a declaration that, as of the Petition Date, each of the Parishes, the High
24 Schools, the Cemeteries, the Vallombrosa Retreat Center, and the Serra Clergy
25 House was, and is, an unincorporated division of the Archdiocese;

26
27
28 ¹² See *Statement of Methodology Regarding the Debtor's Schedules of Assets and Liabilities and Statement of Financial Affairs* [Docket No. 373], p. 5.

- a declaration that all assets of the foregoing operating divisions of the Archdiocese constitute property of the estate;
- a declaration that all assets of the Archdiocese held for the benefit of these “operating divisions” are property of the estate; and
- for such other and further relief as the Court may deem just and proper.

Dated: May 5, 2025

PACHULSKI STANG ZIEHL & JONES LLP

By /s/ James I. Stang

James I. Stang

Brittany M. Michael (*Pro Hac Vice*)

Michael L. Cohen

Gail S. Greenwood

Attorneys for the Official Committee of
Unsecured Creditors

EXHIBIT A

EXHIBIT A

Parish	Parochial School(s)
All Souls Parish 315 Walnut Ave. South San Francisco, CA 94080	All Souls 479 Miller Ave. South San Francisco, CA 94080
Assumption Church 26825 Main St. Tomales, CA 94971	
Cathedral of St. Mary of the Assumption 1111 Gough St. San Francisco, CA 94109	
Church of the Epiphany 827 Vienna St. San Francisco, CA 94112	Epiphany School 600 Italy Ave. San Francisco, CA 94112
Church of the Nativity 210 Oak Grove Ave. Menlo Park, CA 94025	Nativity 1250 Laurel St. Menlo Park, CA 94025
Church of the Nativity 240 Fell St. San Francisco, CA 94102	
Church of the Visitation 655 Sunnysdale Ave. San Francisco, CA 94134	Our Lady of the Visitation 785 Sunnysdale Ave. San Francisco, CA 94134
Corpus Christi Parish 62 Santa Rosa Ave. San Francisco, CA 94112	
Good Shepherd Church 901 Oceana Blvd. Pacifica, CA 94044	Good Shepherd 909 Oceana Blvd. Pacifica, CA 94044
Holy Angels Parish 107 San Pedro Rd. Colma, CA 94014	Holy Angels 20 Reiner St. Colma, CA 94014
Holy Name of Jesus Parish 1555 39th Ave. San Francisco, CA 94122	Holy Name of Jesus 1560 40th Ave. San Francisco, CA 94122
	Holy Name Preschool 1560 40th Ave. San Francisco, CA 94122

EXHIBIT A

Parish	Parochial School(s)
Immaculate Heart of Mary Church 1040 Alameda de las Pulgas Belmont, CA 94002	Immaculate Heart of Mary 1000 Alameda de las Pulgas Belmont, CA 94002
	Immaculate Heart of Mary Preschool 1000 Alameda de las Pulgas Belmont, CA 94002
Mater Dolorosa Parish 307 Willow Ave. South San Francisco, CA 94080	
Mission Dolores Basilica 3321 16th St. San Francisco, CA 94114	
Most Holy Redeemer Parish 100 Diamond St. San Francisco, CA 94114	
National Shrine of St. Francis 610 Vallejo St. San Francisco, CA 94133	
Notre Dame des Victoires 566 Bush St. San Francisco, CA 94108	Notre Dame des Victoires 659 Pine St. San Francisco, CA 94108
Old St. Marys Parish 660 California St. San Francisco, CA 94108	
Our Lady of Angels Parish 1721 Hillside Dr. Burlingame, CA 94010	Our Lady of Angels 1328 Cabrillo Ave. Burlingame, CA 94010
	Our Lady of Angels Preschool 1341 Cortez Ave. Burlingame, CA 94010
Our Lady of Fatima 5920 Geary Blvd. San Francisco, CA 94121	
Our Lady of Guadalupe Mission 285 Alvarado St. Brisbane, CA 94005	
Our Lady of Loretto Parish 1806 Novato Blvd. Novato, CA 94947	Our Lady of Loretto 1811 Virginia Ave Novato, CA 94947

EXHIBIT A

Parish	Parochial School(s)
Our Lady of Lourdes 410 Hawes St. San Francisco, CA 94124	
Our Lady of Mercy Parish 1 Elmwood Dr. Daly City, CA 94015	Our Lady of Mercy 7 Elmwood Dr. Daly City, CA 94015
Our Lady of Mt. Carmel Church 300 Fulton St. Redwood City, CA 94062	Our Lady of Mount Carmel 301 Grand St. Redwood City, CA 94062
Our Lady of Mt. Carmel Church-Mill Valley 3 Oakdale Ave. Mill Valley, CA 94941	
Our Lady of Perpetual Help Parish 60 Wellington Ave. Daly City, CA 94014	Our Lady of Perpetual Help 80 Wellington Ave. Daly City, CA 94014
Our Lady of Refuge Mission 146 Sears Ranch Rd. La Honda, CA 94020	
Our Lady of the Pillar Parish 400 Church St. Half Moon Bay, CA 94019	
Sacred Heart/St. Mary Magdalene 10189 CA-1 Olema, CA 94950	
Saints Peter & Paul Parish 666 Filbert St. San Francisco, CA 94133	Saints Peter & Paul School 660 Filbert St. San Francisco, CA 94133
St. Agnes Parish 1025 Masonic Ave. San Francisco, CA 94117	
St. Andrew Catholic Church 1571 Southgate Ave. Daly City, CA 94015	
St. Anne 850 Judah St. San Francisco, CA 94122	St. Anne 1320 14th Ave. San Francisco, CA 94122

EXHIBIT A

Parish	Parochial School(s)
St. Anselm Parish 97 Shady Ln. Ross, CA 94957	St. Anselm 40 Belle Ave. Ross, CA 94957
St. Anthony Mission 696 North St. Pescadero, CA 94060	
St. Anthony of Padua Parish 1000 Cambridge St. Novato, CA 94947	
St. Anthony Parish 3500 Middlefield Rd. Menlo Park, CA 94025	
St. Anthony Parish 3215 Cesar Chavez St. San Francisco, CA 94110	St. Anthony 299 Precita Ave. San Francisco, CA 94110
St. Augustine Parish 3700 Callan Blvd. South San Francisco, CA 94080	
St. Bartholomew Parish 300 Alameda de las Pulgas San Mateo, CA 94808	
St. Benedict Parish 1801 Octavia St. San Francisco, CA 94109	
St. Boniface Parish 133 Golden Gate Ave. San Francisco, CA 94102	
St. Brendan Parish 29 Rockaway Ave. San Francisco, CA 94127	St. Brendan 940 Laguna Honda Blvd. San Francisco, CA 94127
	St. Brigid 2250 Franklin St. San Francisco, CA 94109
St. Bruno Parish 555 San Bruno Ave. W. San Bruno, CA 94066	
St. Catherine of Siena Parish 1310 Bayswater Ave. Burlingame, CA 94010	St. Catherine of Siena 1300 Bayswater Ave. Burlingame, CA 94010

EXHIBIT A

Parish	Parochial School(s)
St. Cecilia's Lagunitas 450 West Cintura Ave. Lagunitas 94938	
St. Cecilia Parish 2555 17th Ave. San Francisco, CA 94116	St. Cecilia 660 Vicente St. San Francisco, CA 94116
St. Charles 880 Tamarack Ave. San Carlos, CA 94070	St. Charles 850 Tamarack Ave. San Carlos, CA 94070
St. Charles Borromeo 713 South Van Ness Ave. San Francisco, CA 94110	
St. Denis Parish 2250 Avy Ave. Menlo Park, CA 94025	
St. Dominic 2390 Bush St. San Francisco, CA 94115	
St. Dunstan Parish 1133 Broadway Ave. Millbrae, CA 94030	St. Dunstan 1150 Magnolia Ave. Millbrae, CA 94030
St. Elizabeth Parish 459 Somerset St. San Francisco, CA 94134	
St. Emydius Parish 286 Ashton Ave. San Francisco, CA 94112	
St. Finn Barr Parish 415 Edna St. San Francisco, CA 94112	St. Finn Barr 419 Hearst Ave. San Francisco, CA 94112
St. Francis of Assisi Parish 1425 Bay Rd. East Palo Alto, CA 94303	
St. Gabriel Parish 2559 40th Ave. San Francisco, CA 94116	St. Gabriel 2550 41st Ave. San Francisco, CA 94116
St. Gregory Parish 2715 Hacienda St. San Mateo, CA 94403	St. Gregory 2701 Hacienda St. San Mateo, CA 94403

EXHIBIT A

Parish	Parochial School(s)
St. Hilary Parish 761 Hilary Dr. Tiburon, CA 94920	St. Hilary 765 Hilary Dr. Tiburon, CA 94920
St. Ignatius Parish 650 Parker Ave. San Francisco, CA 94118	
St. Isabella Parish 1 Trinity Way San Rafael, CA 94903	St. Isabella 1 Trinity Way San Rafael, CA 94903
St. James Parish 1086 Guerrero St. San Francisco, CA 94110	St. James 321 Fair Oaks St. San Francisco, CA 94110
St. John of God Parish 1290 Fifth Ave. San Francisco, CA 94122	
St. John the Evangelist Parish 19 Saint Mary's Ave. San Francisco, CA 94112	St. John the Evangelist 925 Chenery St. San Francisco, CA 94131
St. Kevin Parish 704 Cortland Ave. San Francisco, CA 94110	
St. Lukes Catholic Church 1111 Beach Park Blvd. Foster City, CA 94404	
St. Mark's Parish 325 Marine View Ave. Belmont, CA 94002	
St. Mary Star of the Sea 180 Harrison Ave. Sausalito, CA 94965	
St. Matthew Parish 1 Notre Dame Ave. San Mateo, CA 94402	St. Matthew 910 South El Camino Real San Mateo, CA 94402
St. Matthias Parish 1685 Cordilleras Rd. Redwood City, CA 94062	St. Matthias Preschool 533 Canyon Rd. Redwood City, CA 94062
St. Michaels Korean Church 32 Broad St. San Francisco, CA 94112	

EXHIBIT A

Parish	Parochial School(s)
St. Monica 470 24th Ave. San Francisco, CA 94121	St. Monica 3835 Geary Blvd. San Francisco, CA 94121
St. Patrick Larkspur 114 King St. Larkspur, CA 94939	St. Patrick 120 King St. Larkspur, CA 94939
	St. Patrick Thrift Shop 457 Magnolia Ave. Larkspur, CA 94939
St. Patricks Church 756 Mission St. San Francisco, CA 94103	
St. Paul of the Shipwreck 1122 Jamestown Ave. San Francisco, CA 94124	
St. Paul Parish 221 Valley St. San Francisco, CA 94131	St. Paul 1690 Church St. San Francisco, CA 94131
	St. Paul Preschool 1690 Church St. San Francisco, CA 94131
St. Peter 1200 Florida St. San Francisco, CA 94110	St. Peter 1266 Florida St. San Francisco, CA 94110
St. Peter Parish 700 Oddstad Blvd. Pacifica, CA 94044	
St. Philip the Apostle 725 Diamond St. San Francisco, CA 94114	St. Philip the Apostle School 665 Elizabeth St. San Francisco, CA 94114
St. Pius Parish 1100 Woodside Rd. Redwood City, CA 94061	St. Pius 1100 Woodside Rd. Redwood City, CA 94061
St. Raphael Parish 1104 Fifth Ave. San Rafael, CA 94901	St. Raphael 1100 Fifth Ave. San Rafael, CA 94901
St. Raymond Parish 1100 Santa Cruz Ave. Menlo Park, CA 94025	St. Raymond 1211 Arbor Rd. Menlo Park, CA 94025

EXHIBIT A

Parish	Parochial School(s)
St. Rita Parish 100 Marinda Dr. Fairfax, CA 94930	
St. Robert Parish 1380 Crystal Springs Rd. San Bruno, CA 94066	St. Robert 345 Oak Ave. San Bruno, CA 94066
St. Sebastian the Martyr 373 Bon Air Rd. Greenbrae, CA 94904	
St. Stephen Parish 601 Eucalyptus Dr. San Francisco, CA 94132	St. Stephen 401 Eucalyptus Sr. San Francisco, CA 94132
St. Teresa Parish 1490 19th St. San Francisco, CA 94107	
St. Thomas More Parish 1300 Junipero Serra Blvd. San Francisco, CA 94132	St. Thomas More 50 Thomas More Way San Francisco, CA 94132
	St. Thomas the Apostle Preschool 710 40th Ave. San Francisco, CA 94121
St. Timothy Parish 1515 Dolan Ave. San Mateo, CA 94401	St. Timothy 1515 Dolan Ave. San Mateo, CA 94401
St. Veronica Parish 434 Alida Way South San Francisco, CA 94080	St. Veronica 434 Alida Way South San Francisco, CA 94080
St. Vincent de Paul Parish 2320 Green St. San Francisco, CA 94123	St. Vincent de Paul 2350 Green St. San Francisco, CA 94123
Star of the Sea 4420 Geary Blvd. San Francisco, CA 94118	Star of the Sea School 360 9th Ave. San Francisco, CA 94118
	Star of the Sea Preschool 360 9th Ave. San Francisco, CA 94118